

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.
UTU-01198-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
NATURAL BUTTES

8. Lease Name and Well No.
NBU 1022-23D2-S

9. API Well No.
43-047-37742

10. Field and Pool, or Exploratory
NATURAL BUTTES

11. Sec., T., R., M., or Blk, and Survey or Area
SEC 23-T10S-R22E

12. County or Parish
UINTAH

13. State
UT

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
WESTPORT OIL & GAS COMPANY L.P.

3a. Address
1368 SOUTH 1200 EAST, VERNAL, UTAH 84078

3b. Phone No. (include area code)
(435) 781-7060

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface NWNW 720' FNL 1108' FWL 39.939668
At proposed prod. Zone 115' FNL 510' FWL -109.411856

14. Distance in miles and direction from nearest town or post office*
25.2 MILES SOUTHEAST OF OURAY, UTAH

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

720'

16. No. of Acres in lease
2040

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

REFER TO
TOPO C

19. Proposed Depth
8600'

20. BLM/BIA Bond No. on file
CO-1203

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5284.4' GL

22. Approximate date work will start*
UPON APPROVAL

23. Estimated duration
TO BE DETERMINED

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office.

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized office.


25. Signature


Name (Printed/Typed)
DEBRA DOMENICI

Date
2/3/2006

Title

ASSOCIATE ENVIRONMENTAL ANALYST

Approved by (Signature)


Name (Printed/Typed)
BRADLEY G. HILL
ENVIRONMENTAL MANAGER

Date
02-28-06

Title
Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

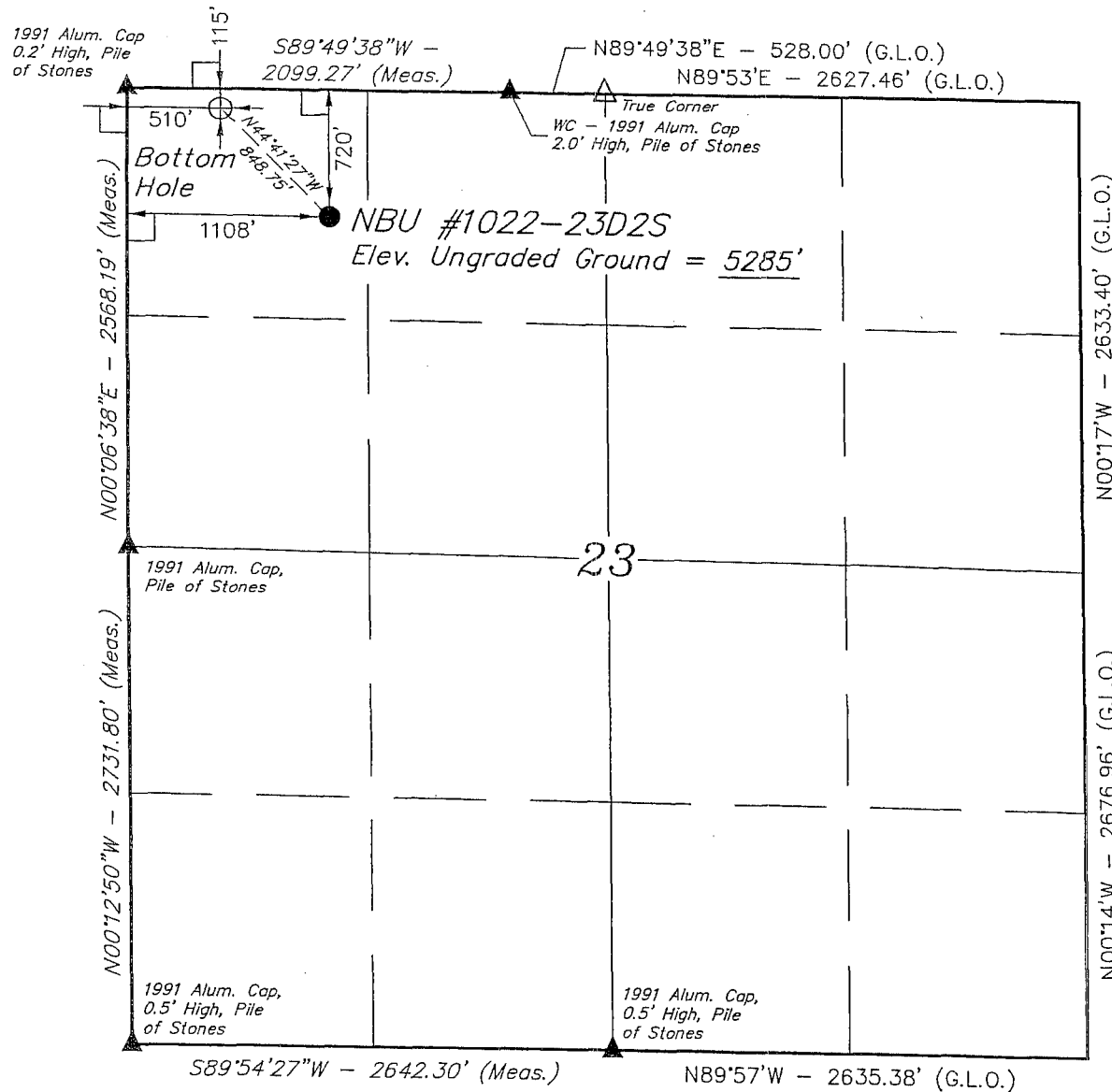
BHL 635504X 39.941323
4422239Y -109.413991

Federal Approval of this
Action is Necessary

FEB 08 2006

ENVIRONMENTAL MANAGER

T10S, R22E, S.L.B.&M.



Kerr-McGee Oil & Gas Onshore LP

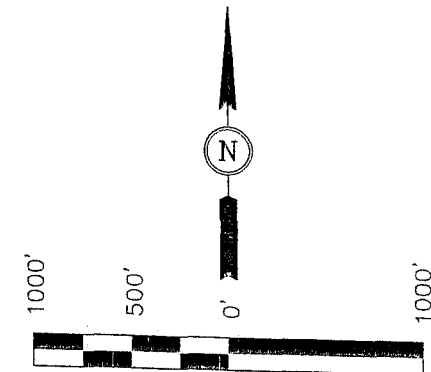
Well location, NBU #1022-23D2S, located as shown in the NW 1/4 NW 1/4 of Section 23, T10S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 481319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 1-17-06	DATE DRAWN: 1-27-06
PARTY D.K. L.K. K.G.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr-McGee Oil & Gas Onshore LP	

LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD
- ▲ = SECTION CORNERS LOCATED
- △ = SECTION CORNERS RE-ESTABLISHED (Not Set On Ground)

(NAD 83)
LATITUDE = 39°56'22.76" (39.939656)
LONGITUDE = 109°24'45.32" (109.412589)
(NAD 27)
LATITUDE = 39°56'22.88" (39.939689)
LONGITUDE = 109°24'42.87" (109.411908)

NBU #1022-23D2-S
NWNW SEC 23-T10S-R22E
UINTAH COUNTY, UTAH
UTU-01198-B

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1065'
Wasatch	4025'
Mesaverde	6325'
TD	8600'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	1065'
Gas	Wasatch	4025'
Gas	Mesaverde	6325'
Water	N/A	
Other Minerals	N/A	

3. **Pressure Control Equipment** (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. **Proposed Casing & Cementing Program:**

Please see the Natural Buttes Unit SOP.

5. **Drilling Fluids Program:**

Please see the Natural Buttes Unit SOP.

6. **Evaluation Program:**

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 8600' TD, approximately equals 5332 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3440 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. Variances:

Please see Natural Buttes Unit SOP.

10. Other Information:

Please see Natural Buttes Unit SOP.



Kerr-McGee Oil & Gas Onshore LP

DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WAL	CCR	CPLG	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				3950	2570	452000
SURFACE	9-5/8"	0 to 2000	40.00	J-55	STC	1.41*****	2.75	7.99
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 8600	11.60	M-80	LTC	2.78	1.35	2.31

1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))

2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)

(Burst Assumptions: TD = 0.0 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing * Buoy. Fact. of water)

MASP 2804 psi

***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		PT OF TAIL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
Option 1							
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	LEAD	1500	65/35 Poz + 6% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOW	360	35%	12.60	1.81
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,520'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	390	60%	11.00	3.38
	TAIL	5,080'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1420	60%	14.30	1.31

*Substitute caliper hole volume plus 15% excess if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney / Rusty Desormeaux

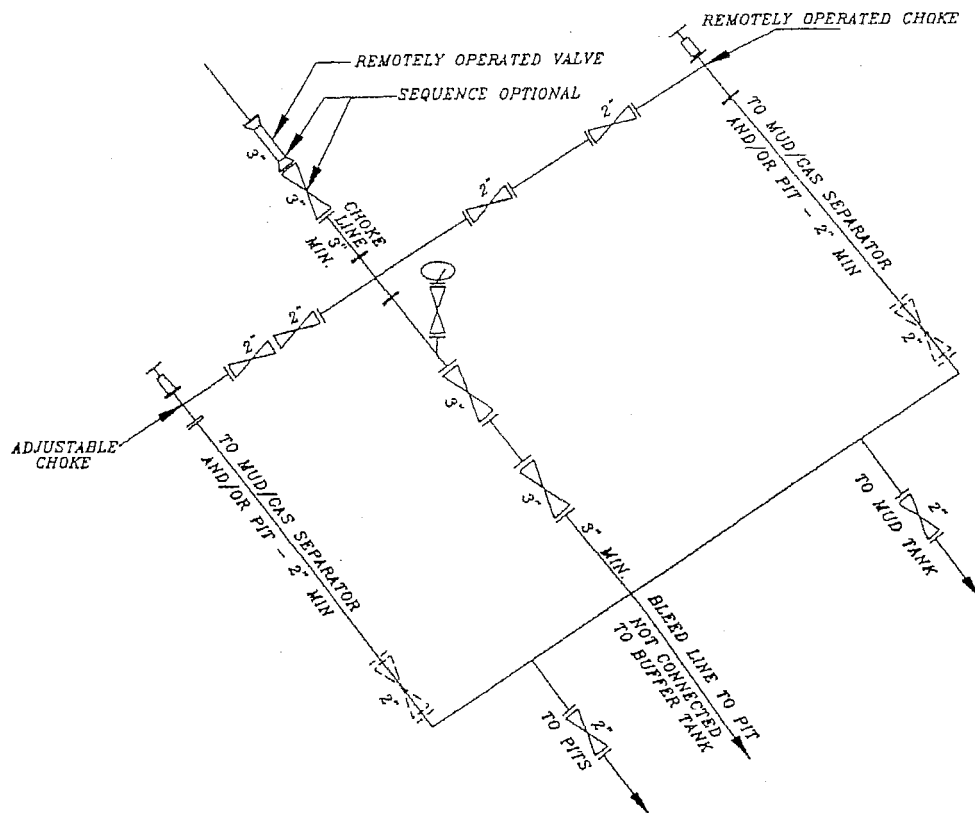
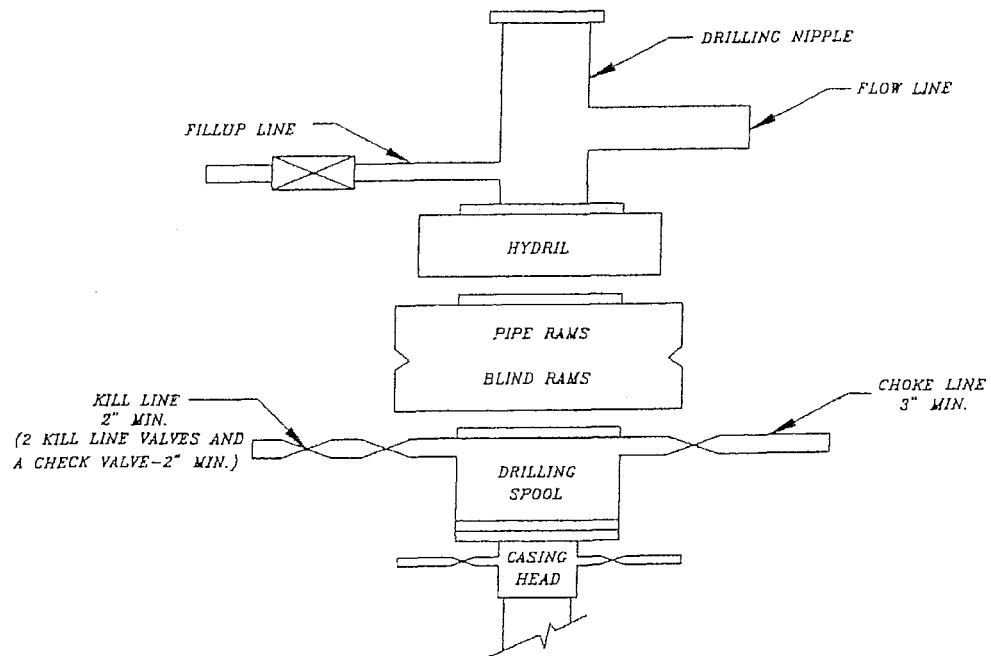
DATE: _____

DRILLING SUPERINTENDENT:

Randy Bayne

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU #1022-23D2-S
NWNW SEC 23-T10S-R22E
UINTAH COUNTY, UTAH
UTU-01198-B

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. **Existing Roads:**

Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. **Planned Access Roads:**

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Approximately 250' of new access road is proposed. Refer to Topo Map B.

3. **Location of Existing Wells Within a 1-Mile Radius**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities**

Please see the Natural Buttes Unit SOP.

Refer to Topo Map D for the location of the proposed pipelines.

Variances to Best Management Practices (BMPs) Requested:

Approximately 230' of 4" steel pipeline will be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon Brown (2.5Y 6/2), a non-reflective earthtone.

5. **Location and Type of Water Supply:**

Please see the Natural Buttes SOP.

6. **Source of Construction Materials**

Please see the Natural Buttes SOP.

7. **Methods of Handling Waste Materials**

Please see the Natural Buttes SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E (*Request is in lieu of filing Form 3160-5, after initial production*).

8. **Ancillary Facilities**

Please see the Natural Buttes SOP.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A 20 mil reserve pit liner with felt will be used.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

10. **Plans for Reclamation of the Surface:**

Please see the Natural Buttes SOP.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

Crested Wheat Grass	12 lbs.
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Operator shall call the BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

United States of America
Bureau of Land Management
170 South 500 East
Vernal, UT 84078
(435)781-4400

12. Other Information:

A Class III archaeological survey and a paleontological survey have been performed and will be filed when received.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. Lessee's or Operator's Representative & Certification:

Debra Domenici
Associate Environmental Analyst
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7060

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7018

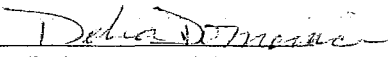
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Nationwide Bond #CO-1203.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Debra Domenici

2/3/2006
Date

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-23D, #1022-23D2S & #1022-23D3S
SECTION 23, T10S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 250' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 57.6 MILES.

Kerr-McGee Oil & Gas Onshore LP
NBU #1022-23D, #1022-23D2S & #1022-23D3S
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 23, T10S, R22E, S.L.B.&M.

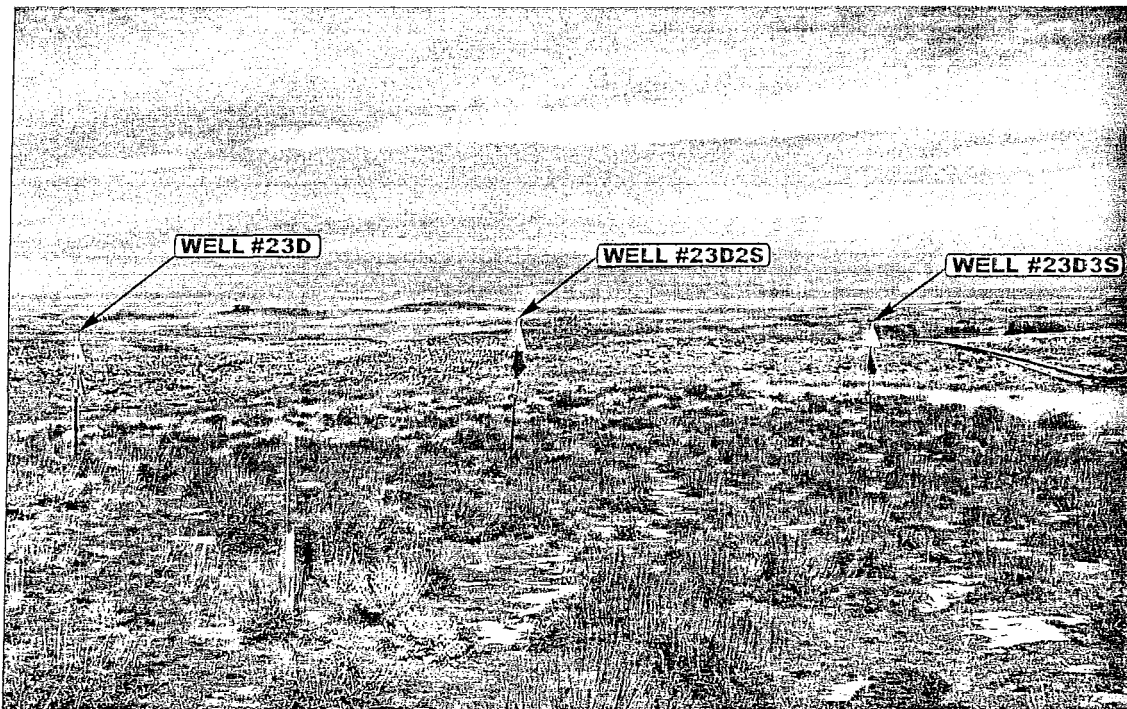


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

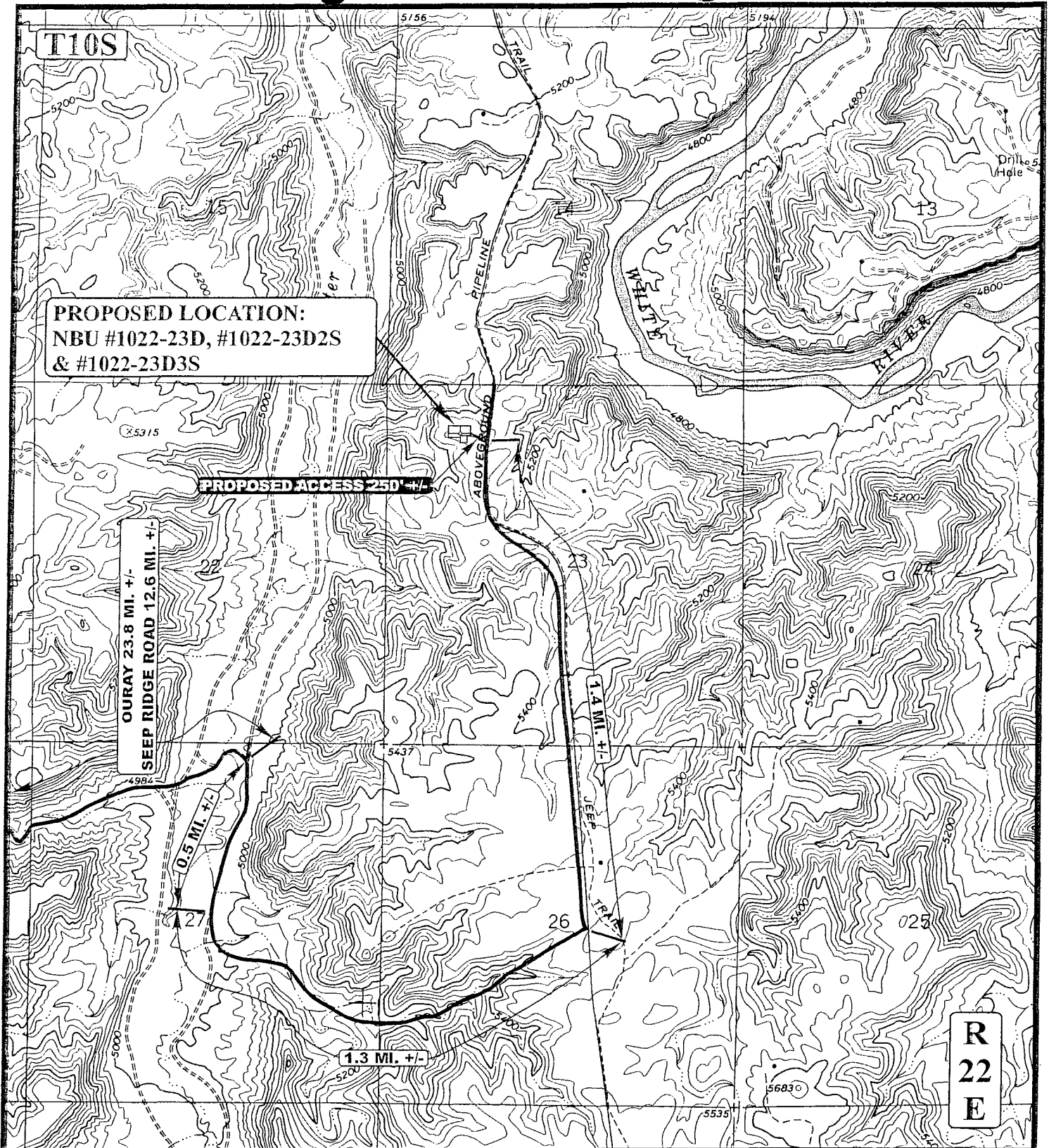
01 17 05
 MONTH DAY YEAR

PHOTO

TAKEN BY: J.F.

DRAWN BY: L.K.

REVISED: 01-27-06



LEGEND:

————— EXISTING ROAD
 - - - - - PROPOSED ACCESS ROAD

Kerr-McGee Oil & Gas Onshore LP

**NBU #1022-23D, #1022-23D2S & #1022-23D3S
 SECTION 23, T10S, R22E, S.L.B.&M.
 NW 1/4 NW 1/4**



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

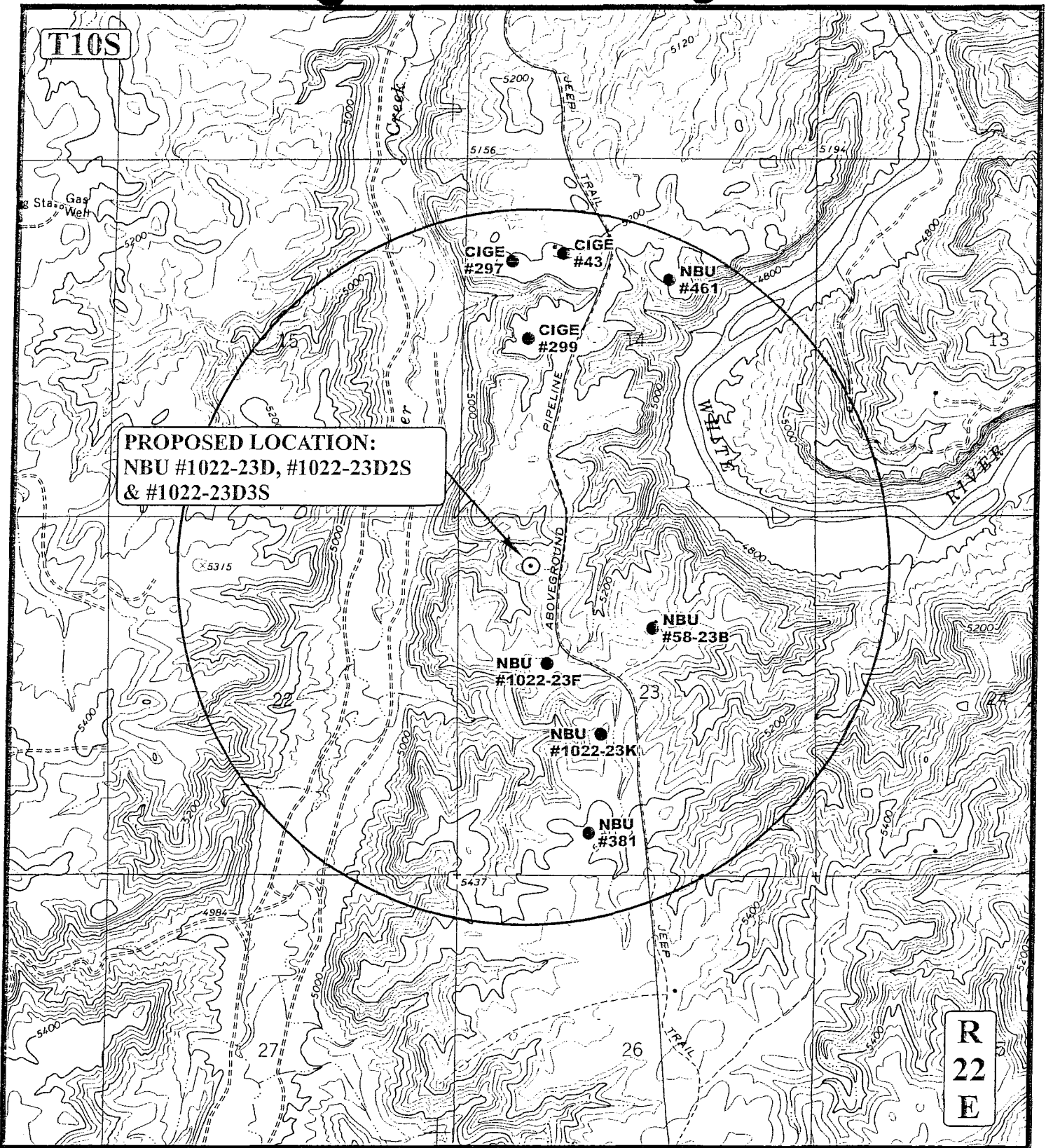


**TOPOGRAPHIC
 MAP**

01 17 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 01-27-06





LEGEND:

- | | |
|-------------------|-------------------------|
| ○ DISPOSAL WELLS | ○ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



Kerr-McGee Oil & Gas Onshore LP

NBU #1022-23D, #1022-23D2S & #1022-23D3S
SECTION 23, T10S, R22E, S.L.B.&M.
NW 1/4 NW 1/4



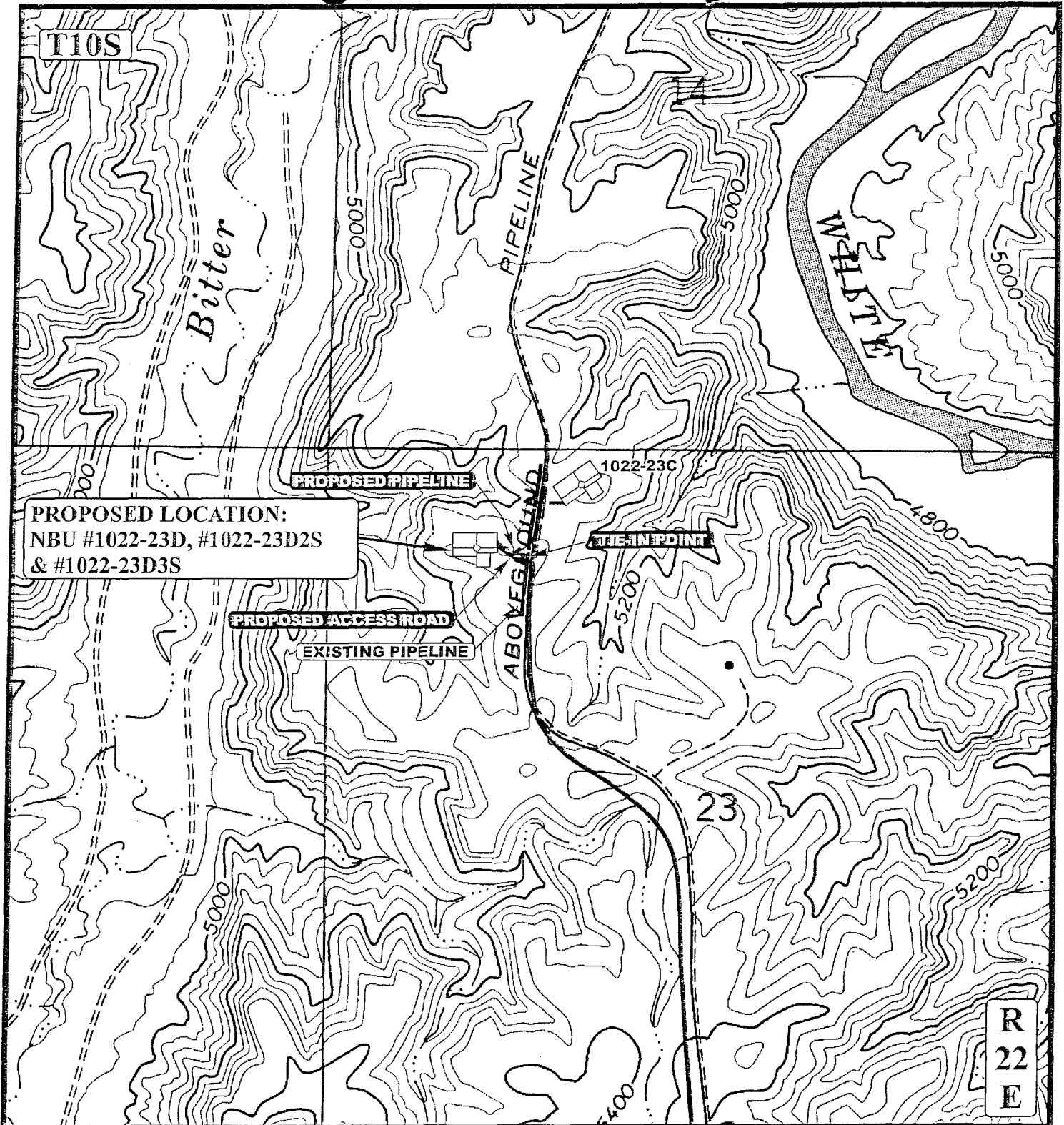
Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

01 17 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 01-27-06





APPROXIMATE TOTAL PIPELINE DISTANCE = 230' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



Kerr-McGee Oil & Gas Onshore LP
NBU #1022-23D, #1022-23D2S & #1022-23D3S
SECTION 23, T10S, R22E, S.L.B.&M.
NW 1/4 NW 1/4

TOPOGRAPHIC
MAP

01 **17** **05**
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: L.K. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/08/2006

API NO. ASSIGNED: 43-047-37742

WELL NAME: NBU 1022-23D2-S

OPERATOR: WESTPORT OIL & GAS CO (N2115)

CONTACT: DEBRA DOMENICI

PHONE NUMBER: 435-781-7060

PROPOSED LOCATION:

NWNW 23 100S 220E

SURFACE: 0720 FNL 1108 FWL

BOTTOM: 0115 FNL 0510 FWL

COUNTY: Uintah

LATITUDE: 39.93967 LONGITUDE: -109.4119

UTM SURF EASTINGS: 635689 NORTHINGS: 4422058

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-01198-B

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. CO-1203)
☐ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-8496)
☐ RDCC Review (Y/N)
(Date:)
☐ Fee Surf Agreement (Y/N)
☐ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit: NATURAL BUTTES
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 173-14
Eff Date: 12-2-1999
Siting: 460' fr R649-3-2 & 920' from R649-3-3
☒ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1 - OIL SHALE

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

February 21, 2006

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Natural Buttes Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Wasatch-MesaVerde)		
43-047-37737	NBU 1022-14L2-S	Sec 14 T10S R22E 1733 FSL 0645 FWL
	BHL	Sec 14 T10S R22E 2450 FSL 0170 FWL
43-047-37736	NBU 1022-14M2-S	Sec 14 T10S R22E 0644 FSL 0692 FWL
	BHL	Sec 14 T10S R22E 1275 FSL 0160 FWL
43-047-37735	NBU 1022-15P-S	Sec 14 T10S R22E 0604 FSL 0686 FWL
	BHL	Sec 15 T10S R22E 0530 FSL 0120 FEL
43-047-37741	NBU 1022-23D3-S	Sec 23 T10S R22E 0720 FNL 1128 FWL
	BHL	Sec 23 T10S R22E 0950 FNL 0305 FWL
43-047-37742	NBU 1022-23D2-S	Sec 23 T10S R22E 0720 FNL 1108 FWL
	BHL	Sec 23 T10S R22E 0115 FNL 0510 FWL
43-047-37743	NBU 1022-23E3-S	Sec 23 T10S R22E 1511 FNL 0044 FWL
	BHL	Sec 23 T10S R22E 2235 FNL 0010 FWL
43-047-37744	NBU 1022-22H-S	Sec 23 T10S R22E 1495 FNL 0056 FWL
	BHL	Sec 22 T10S R22E 1570 FNL 0740 FEL

Our records indicate the NBU 1022-14L2-S and the NBU 1022-14M2-S are closer than 460 feet from the Natural Buttes Unit boundary.

We have no objections to permitting the wells so long as the unit operator receives an exception to the locating and siting requirements of the State of Utah (R649-3-2).

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:2-21-06



WESTPORT OIL AND GAS COMPANY, L.P.

1368 South 1200 East Vernal Utah 84078
Telephone: 435-781-0166 Fax: 435-781-7095

February 22, 2006

Diana Whitney
State of Utah
Department of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Directional Drilling R649-3-11
NBU 1022-23D2-S
Surface: NWNW Sec 23-T10S-R22E 720' FNL 1108' FWL
Bottomhole: NWNW Sec 23-T10S-R22E 115' FNL 510' FWL

Dear Diana:

Pursuant to the filing of Westport Oil & Gas Company L.P.'s Application for Permit to Drill regarding the above referenced well on February 3, 2006, we are hereby submitting this letter in accordance with Oil & Gas Conservation Rule R649-3-11 pertaining to Directional Drilling of Wells.

- Westport's NBU 1022-23D2-S is located within the Natural Buttes Unit area.
- Westport is permitting this well as a directional well in order to access portions of our lease which are otherwise inaccessible due to topography.
- Furthermore, Westport hereby certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based on the above stated information Westport requests the permit be granted pursuant to R649-3-11.

If you have any questions, please feel free to contact me at 435-781-7060.

Sincerely,

Debra Domenici
Associate Environmental Analyst



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 28, 2006

Westport Oil & Gas Company LP
1368 South 1200 East
Vernal, UT 84078

Re: Natural Buttes Unit 1022-23D2-S Well, Surface Location 720' FNL,
1108' FWL, NW NW, Sec. 23, T. 10 South, R. 22 East, Bottom Location
115' FNL, 510' FWL, NW NW, Sec. 23, T. 10 South, R. 22 East,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37742.

Sincerely,

Gil Hunt
Associate Director

pab

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Westport Oil & Gas Company LP
Well Name & Number Natural Buttes Unit 1022-23D2-S
API Number: 43-047-37742
Lease: UTU-01198-B

Surface Location: NW NW **Sec.** 23 **T.** 10 South **R.** 22 East
Bottom Location: NW NW **Sec.** 23 **T.** 10 South **R.** 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

6 In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/6/2006

FROM: (Old Operator):

N2115-Westport Oil & Gas Co., LP
 1368 South 1200 East
 Vernal, UT 84078
 Phone: 1-(435) 781-7024

TO: (New Operator):

N2995-Kerr-McGee Oil & Gas Onshore, LP
 1368 South 1200 East
 Vernal, UT 84078
 Phone: 1-(435) 781-7024

CA No.		Unit:		NATURAL BUTTES UNIT				
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 5c. Reports current for Production/Disposition & Sundries on: ok
- 6. Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- 7. Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- 8. Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 9. Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: _____
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other **CHANGE OF OPERATOR**

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006.

KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

BLM BOND = C01203

BIA BOND = RLB0005237

APPROVED 5/16/06

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RANDY BAYNE

Title

DRILLING MANAGER

Signature

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY L.P.

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

APPROVED 5/16/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
MAY 10 2006

DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

BRAD LANEY

Signature

Title

ENGINEERING SPECIALIST

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Brad Laney

Title

Office

Date

5-9-06

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :
1999 Broadway, Suite 3700 : Oil & Gas
Denver, CO 80202 :

Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell
Martha L. Maxwell
Land Law Examiner
Fluid Minerals Adjudication

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

WY, UT, NM/OK/TX, MT/ND, WY State Offices

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of
Fluid Minerals

Enclosure

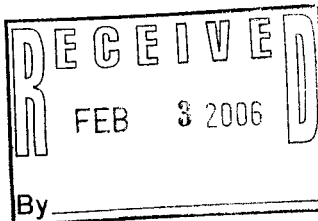
Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114
Teresa Thompson
Joe Incardine
Connie Seare
Dave Mascarenas
Susan Bauman

RECEIVED

MAR 28 2006

UT. OF OIL, GAS & MIN. (BLM)



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-01198-B
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator KERR MCGEE OIL AND GAS ONSHORE LP		7. If Unit or CA Agreement, Name and No. NATURAL BUTTES
3A. Address 1368 SOUTH 1200 EAST, VERNAL, UTAH 84078	3b. Phone No. (include area code) (435) 781-7003	8. Lease Name and Well No. NBU 1022-23D2-S
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNW 720' FNL 1108' FWL At proposed prod. Zone 115' FNL 510' FWL		9. API Well No. 43-047-37742
14. Distance in miles and direction from nearest town or post office* 25.2 MILES SOUTHEAST OF OURAY, UTAH		10. Field and Pool, or Exploratory NATURAL BUTTES
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 720'	16. No. of Acres in lease 2040	11. Sec., T., R., M., or Blk. and Survey or Area SEC 23-T10S-R22E
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Proposed Depth 8600'	12. County or Parish UINTAH
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5284.4' GL	22. Approximate date work will start* UPON APPROVAL	13. State UT
20. BLM/BIA Bond No. on file CO-1203		17. Spacing Unit dedicated to this well 40
23. Estimated duration TO BE DETERMINED		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

Signature <i>Ramey Hoopes</i>	Name (Printed/Typed) RAMEY HOOPES	Date 4/17/2006
Title REGULATORY CLERK		
Approved by (Signature) <i>Jerry Keviczka</i>	Name (Printed/Typed) JERRY KEVICZKA	Date 10-6-2006
Title Assistant Field Manager Lands & Mineral Resources		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

CONDITIONS OF APPROVAL ATTACHED
RECEIVED

NOTICE OF APPROVAL

OCT 23 2006

DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Kerr-McGee Oil & Gas Onshore, LP	Location:	NWNW, Sec. 23, T10S, R22E
Well No:	NBU 1022-23D2-S	Lease No:	UTU-01198-B
API No:	43-047-37742	Agreement:	Natural Buttes Unit

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
Natural Resource Specialist:	Scott Ackerman	Office: 435-781-4437	
After Hours Contact Number:	435-781-4513	Fax: 435-781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- | | |
|---|--|
| Location Construction
(Notify Holly Villa) | - Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion
(Notify Holly Villa) | - Prior to moving on the drilling rig. |
| Spud Notice
(Notify Petroleum Engineer) | - Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing
(Notify Jamie Sparger SPT) | - Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests
(Notify Jamie Sparger SPT) | - Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice
(Notify Petroleum Engineer) | - Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- The lessee/operator is given notice that the project area is within 0.5 miles of Mexican Spotted Owl habitat. With this occurrence, no surface occupancy will be allowed until after the first season of surveys is completed. If no owls are detected after the first season of surveys, then construction and drilling may begin outside of the timing restriction March 15-June 15. The second season of surveys will still be required for these buffer areas.
- The project area is within 0.5 miles of an unknown nest but is not in line-of site. With this occurrence there will be a time restriction to protect the raptor species nesting season from February 1-July 15. This notice may be waived, accepted, or modified by a qualified wildlife biologist if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated. The operator shall submit in such a request to the AO in writing. The exception request will be reviewed by the AO and a determination made.
- The operator has agreed to have a double layer of liner and felt for the pit to avoid excessive contamination.
- The following interim seed mixture shall be used:

Type		lbs./acre
Needle and Thread grass	<i>Stipa comata</i>	4
Crested Wheat grass	<i>Agropyron cristatum</i>	4
Indian Rice grass	<i>Stipa hymenoides</i>	4
** Seed shall be drilled; but if broadcast, double the pounds per acre used and work the solids mechanically to cover the seed.		

- If paleontologic materials are uncovered during construction, the operator shall immediately stop work that might further disturb such materials and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation will be necessary for the discovered paleontologic material.
- Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil respread over the surface; and, the surface revegetated. The surface of approved staging areas where construction activities did not occur may require disking or ripping and reseeding. The seed mixture for final reclamation will be determined at that time.
- Other reclamation methods including but not limited to mulching or soil treatments may be required on a site-specific basis.
- All well facilities will be painted Carlsbad Canyon.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- None

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
- Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.
- All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.
- BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).

- All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- The lessee/operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, etc.) to Peter Sokolosky or another geologist of the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
- No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a

summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

- **Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).**
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.
- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- This APD is approved subject to the requirement that, shall the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location (¼¼, Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and / or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

UTU-01198-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-23D2-S

9. API Well No.

4304737742

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR MCGEE OIL AND GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

435-781-7003

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

720' FNL 1108' FWL

NWNW, SEC 23-T10S-R22E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD EXTENSION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	DOGM
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE OPERATOR REQUESTS AUTHORIZATION FOR A ONE YEAR EXTENSION FOR THE SUBJECT WELL LOCATION SO THAT THE DRILLING OPERATIONS MAY BE COMPLETED. THE ORIGINAL APD WAS APPROVED BY THE DIVISION OF OIL, GAS AND MINING ON FEBRUARY 28, 2006.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-30-07
By: [Signature]

RECEIVED

JAN 29 2007

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RAMEY HOOPES

Title

REGULATORY CLERK

Signature

[Signature: Ramey Hoopes]

Date

January 23, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

1-31-07
RM

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737742
Well Name: NBU 1022-23D2-S
Location: NWNW, SEC 23-T10S-R22E
Company Permit Issued to: KERR MCGEE OIL AND GAS ONSHORE LP
Date Original Permit Issued: 2/28/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

1/23/2007

Date

Title: REGULATORY CLERK

Representing: Kerr McGee Oil and Gas Onshore LP

RECEIVED
JAN 29 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736572	NBU 1022-23D		NWNW	23	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>B</i>	99999	<i>2900</i>	7/4/2007			7/23/07	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 07/04/2007 AT 0800 HRS							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737742	NBU 1022-23D2-S		NWNW	23	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>B</i>	99999	<i>2900</i>	7/5/2007			7/23/07	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 07/05/2007 AT 0800 HRS.							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304737741	NBU 1022-23D3-S		NWNW	23	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>B</i>	99999	<i>2900</i>	7/5/2007			7/23/07	
Comments: MIRU PETE MARTIN BUCKET RIG. <i>WSTMVD</i> SPUD WELL LOCATION ON 07/05/2007 AT 1430 HRS							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

To: EARLENE RUSSELL From: SHEILA UPCHEGO
Co./Dept. LAND OGM Co. KM-6
Phone # (801) 538-5330 Phone # (435) 781-7024
Fax # (801) 354-8440 Fax # (435) 781-7094

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

7/9/2007

Title

Date

RECEIVED

JUL 09 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

UTU-01198-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

UNIT #891008900A

NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-23D2-S

9. API Well No.

4304737742

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SURFACE: NW/NW SEC. 23, T10S, R22E 720'FNL, 1108'FWL

BOTTOM: NW/NW SEC. 23, T10S, R22E 115'FNL, 510'FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other WELL SPUD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 07/05/2007 AT 0800 HRS.

RECEIVED
JUL 17 2007

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature

Date

July 9, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

UTU-01198-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

UNIT #891008900A

NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-23D2-S

9. API Well No.

4304737742

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SURFACE: NW/NW SEC. 23, T10S, R22E 720'FNL, 1108'FWL

BOTTOM: NW/NW SEC. 23, T10S, R22E 115'FNL, 510'FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other FINAL DRILLING OPERATIONS
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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FINISHED DRILLING FROM 2040' TO 8510' ON 08/27/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/362 SX PREM LITE II @11.5 PPG 2.82 YIELD. TAILED CMT W/1281 SX 50/50 POX @14.3 PPG 1.31 YIELD. DROP PLUG AND DISPLACE W/131.4 BBLS WATER BUMP PLUG W/500 OVER FINAL CIRC 2311 PSI PLUG HELD HAD FULL RETURNS DURING JOB GOT BACK 21 BBLS CMT TO PIT NIPPLE DOWN SET SLIPS W/110K STRING WEIGHT CUT OFF 4 1/2" WASH AND CLEAN OUT MUD PITS.

RELEASED ENSIGN RIG 83 ON 08/27/2007 AT 2400 HRS.

RECEIVED

SEP 04 2007

14. I hereby certify that the foregoing is true and correct

DIV. OF OIL, GAS & MINING

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature

Date

August 28, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE – Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SURFACE: NW/NW SEC. 23, T10S, R22E 720'FNL, 1108'FWL

BOTTOM: NW/NW SEC. 23, T10S, R22E 115'FNL, 510'FWL

5. Lease Serial No.

UTU-01198-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

UNIT #891008900A

NATURAL BUTTES UNIT

8. Well Name and No.

NBU 1022-23D2-S

9. API Well No.

4304737742

10. Field and Pool, or Exploratory Area

NATURAL BUTTES

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other PRODUCTION
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	START-UP
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 10/27/2007 AT 10:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED
NOV 02 2007
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

SHEILA UPCHEGO

Title

SENIOR LAND ADMIN SPECIALIST

Signature

Date

October 31, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Anadarko Petroleum Corporation
1368 S. 1200 East
Vernal, UT 84078

CHRONOLOGICAL WELL HISTORY

NBU 1022-23D-2S

NWNW, SEC. 23, T10S, R22E
UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
	LOCATION STARTED	ENSIGN 83
07/03/07	LOCATION COMPLETED	ENSIGN 83 P/L IN, WOBR
07/05/07	SET CONDUCTOR	ENSIGN 83
07/09/07	SET AIR RIG	ENSIGN 83 DRLG, WOAR
07/17/07	9 5/8" @2024'	ENSIGN 83 WORT
8/22/07	TD: 5650' Csg. 9 5/8" @ 2024' MW: 10.8 SD: 8/18/07 DSS: 4 Directional drill from 4897'-5004'. TOOH and lay down directional tools. TIH and drill to 5650'.DA.	
8/23/07	TD: 6455' Csg. 9 5/8" @ 2024' MW: 10.8 SD: 8/18/07 DSS: 5 Drill from to 5650'-6455'. DA.	
8/24/07	TD: 7400' Csg. 9 5/8" @ 2024' MW: 11.2 SD: 8/18/07 DSS: 6 Drill from to 6455'-7400'. DA.	
08/27/07	TD: 8510' Csg. 9 5/8" @ 2024' MW: 12.0 SD: 8/18/07 DSS: 9 Drill from 7400'-7997'. TFNB. Drill to 8510' TD. Short trip and LDDS. Run Triple Combo @ report time.	
08/28/07	TD: 8510' Csg. 9 5/8" @ 2024' MW: 12.0 SD: 8/18/07 DSS: 9 RD Halliburton wireline. Run and cement 4 1/2" Production Casing. Set slips and release rig @ 2400 hrs 8/27/07. RDRT. Will skid rig this am.	
10/12/07	P.T & PERF Days On Completion: 1 Remarks: 7 AM (DAY 1) HELD JSA (WHITE WELL) MIRU B&C TESTERS.NDWH, N/U FRAC VALVES. P.T. CSG & FRAC VALVES TO 7500#, [HELD GOOD] RDMO B&C. [STG#1] MIRU CUTTERS W.L. & CRANE TRUCK. R/U. WELL HEAD FLOOR. RIH W/ PERF GUN & PERF THE M.V. @ 7945'-7947, 8084'-8087', 8111'-8114', 8178'-8181' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90* PHASING, 4 SPF, [44 HLS] WHP=0#. LEAVE WIRELINE TRUCK & CRANE TRUCK ON LOCATION, PREP TO FRAC W/ WTRFD ON MON	
10/15/07	FRAC Days On Completion: 4 Remarks: 7AM [DAY 2] MIRU WTRFD. HLD WTRFD JSA. [WHITE WELL] P.T. SURFACE LINES TO 7800#.	

[STG#1] WE-SICP=315#, BRK DN PERFS @ 3210# @ 3 BPM. ISIP=2447#, F.G.=75. PMP'D 3 BBLS 15% HCL AHEAD OF INJ. CALC ALL PERFS OPEN. PMP'D 1363 BBLS SLK WTR, 44,900# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=2474, F.G.=.75. NPI=27, MP=6813, MR=53, AP=3975, AR=52 BPM.

10/16/07

FRAC

Days On Completion: 5

Remarks: 7AM [DAY3] HLD WTRFD J.S.A.

[WHITE WELL]

[STG#2] CONTINUE ON. RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 7420'. PERF THE M.V. @ 7369'-7371' & 7383'-7390' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90* PHAS, 4 SPF, [36 HLS] P.T. SURFACE LINES TO 7940#. WHP=1950. BRK DN PERFS @ 4066# @ 3 BPM. ISIP=1624, F.G.=.66. CALC 34/36 PERFS OPEN. PMP'D 790 BBLS SLK WTR, 27,100# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=2323, F.G.=.76, NPI=699, MP=4066, MR=41, AP=3094, AR=40 BPM. [WHITE WELL]

[STG#3] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 7123' PERF THE M.V. @ 6804'-6806', 6901'-6904', 3 SPF, 120* PHAS, 7060'-7064' & 7090'-7093' 4 SPF, 90* PHAS USING 3-3/8" EXP GUN, 23 GM, 0.36, [43 HLS] P.T. SURFACE LINES TO 8150#. WHP=1630, BRK DN PERFS @ 2088# @ 3 BPM. ISIP=1848, F.G.=.71. CALC 35/43 PERFS OPEN. PMP'D 1571 BBLS SLK WTR, 58,687# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=2498, F.G.=.80, NPI=641, MP=4142, MR=52, AP=3678, AR=51

[STG#4] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 6572'. PERF THE WASATCH @ 6403'-6408' & THE M.V @ 6537'-6542' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90* PHAS, 4 SPF, [40 HLS] P.T. SURFACE LINES TO 8000#. WHP=115#. BRK DN PERFS @ 1632# @ 3 BPM. ISIP=873, F.G.=.58. CALC 24/40 PERFS OPEN. PMP'D 1075 BBLS SLK WTR, 39,125# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=2524, F.G.=.83, NPI=1651, MP=3491, MR=41, AP=3069, AR=40 BPM.

[STG#5] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 5499'. PERF THE WASATCH @ 5370'-5376' & 5465'-5469' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90* PHAS, 4 SPF, [40 HLS] P.T. SURFACE LINES TO 8136#. WHP=325#. BRK DN PERFS @ 2000# @ 5 BPM. ISIP=1588, F.G.=.73. CALC ALL PERFS OPEN. PMP'D 689 BBLS SLK WTR, 24,387# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=1711, F.G.=.76, NPI=123, MP=2975, MR=40, AP=2272, AR=40 BPM

10/17/07

FRAC

Days On Completion: 6

Remarks: 7AM [DAY 4] HELD WTRFD J.S.A.

[WHITE WELL]

[STG#6] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 4911'. PERF THE WASATCH @ 4872'-4881' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90* PHS, 4 SPF, 36 HLS, OVERNIGHT SICP=0#. P.T. SURFACE LINES TO 8200#. BRK DN PERFS @ 2240# @ 3 BPM. ISIP=585, F.G.=.56. CALC 22/36 PERFS OPEN. PMP'D 456 BBLS SLK WTR, 15,286# 30/50 SD W/ 5000# TLC RESIN COAT SD @ TAIL. ISIP=1435, F.G.=.74, NPI=850, MP=2432, MR=35, AP=1840, AR=35 BPM.

[KILL PLUG] RIH W/ BAKER 8K CBP & SET @ 4772'. POOH & L/D WIRELINE TOOLS. RDMO CUTTERS & WTRFD. GRAND TOTAL 30/50 & RESIN COAT SD=209,485#, RESIN COAT SD ONLY=30,000# & TOTAL FLUID=5944 BBLS. NALCO BIOCIDES WAS ADDED ON THE FLY @ .50 GPT IN EVERY STAGE. ALSO 100% RECYCLED WTR WAS USED.

10/18/07

ON STANDBY

Days On Completion: 7

Remarks: WAITING ON RIG TO DRILL CBP'S

10/24/07

RUN TBG

Days On Completion: 1

Remarks: 7:00 A.M. HSM RIG DWN, RACK OUT EQUIP. MIRU. NDWH, NUBOPE. PREP & TALLY 2 3/8" J-55 8RD 4.7# TBG. P/U 3 7/8" SMITH BIT, POBS & RIH P/U TBG OFF TRAILER. TAG KILL PLUG @ 4772'. R/U DRL EQUIP. R/U PMP & LINES. BRK CONV CIRC W/ 2% KCL & BEG TO DRL. DRL UP 1ST CBP IN 10 MIN. (0# PSI INC). WELL ON VACCUM. CONT TO RIH. TAG FILL @ 4901', (10' FILL). C/O TO 2ND CBP @ 4911'. DRL UP 2ND CBP IN 10 MIN. (0# PSI INC). WELL ON VACCUM. CONT TO RIH. TAG FILL @ 5451', (48' FILL). C/O TO 3RD CBP @ 5499'. DRL UP 3RD CBP IN 8 MIN. (100# PSI INC). WELL UNLOADING. CIRC WELL CLEAN FOR 30 MIN. SWI. SDFN. EOT @ 5533'.

10/25/07

Drill CBP & Land

Days On Completion: 2

Remarks: 8:00AM: HSM, PICK UP & RUN IN HOLE, TAG FILL @ 6514' , CLEAN OUT 58' SAND TO CBP @ 6572' .

DRILL OUT 4th CBP @ 6572' IN 10 MIN., NO PRESSURE INCREASE, NOT MUCH GAS. RIH W/ BIT, TAG SAND @ 7073', CO 50 ' SAND TO CBP @ 7123'.

DRILL OUT 5th CBP @ 7123' IN 10 MIN. , VERY LITTLE PRESSURE INCREASE, RIH W/BIT. TAG SAND @ 7386', CO 34' SAND TO CBP @ 7420', DRILL OUT 6th CBP @ 7420' IN 10 MIN., TOOK 200# KICK, RUN BIT TO 8306' , 125' OF RATHOLE. PULL & LAY DOWN 39 JTS. ON FLOAT, RACK OUT PS, LAND TBG ON HANGER W/229 JTS. IN HOLE. EOT @ 7249' ND BOP'S, NU WH, DROP BALL & PUMP OFF BIT SUB @ 1800 PSI. RACK OUT EQUIPMENT & RD , TURN OVER TO FLOW BACK CREW, 750 PSI TBG. PRESS., 900 PSI CSG. PRESS

268 JTS. J-55 TBG. ON LOCATION.

229 JTS. IN HOLE

39 JTS. J-55 LEFT ON FLOAT.

10/26/07

FLOWBACK REPORT: CP 1600#, TP 1000#, CK 20/64", 28 BWPH, LOAD REC'D 528 BBLS, LLTR 4748 BBLS

10/27/07

WELL WENT ON SALES: @ 10:00 AM, 1000 MCF, 1200 TBG, 1900 CSG, 20/64 CK, 16 BBWH
FLOWBACK REPORT: CP 1600#, TP 1000#, CK 20/64", 16 BWPH, LOAD REC'D 1026 BBLS, LLTR 4250 BBLS

10/28/07

ON SALES: 307 MCF, 0 BC, 360 BW, TP: 1050#, CP: 1550#, 20/64 CHK, 19 HRS, LP: 0#.
FLOWBACK REPORT: CP 1550#, TP 1050#, CK 20/64", 13 BWPH, LOAD REC'D 1370 BBLS, LLTR 3906 BBLS

10/29/07

ON SALES: 741 MCF, 0 BC, 288 BW, TP: 741#, CP: 1550#, 20/64 CHK, 24 HRS, LP: 248#.
FLOWBACK REPORT: CP 1550#, TP 1025#, CK 20/64", 12 BWPH, LOAD REC'D 1710 BBLS, LLTR 3566 BBLS

10/30/07

FLOWBACK REPORT: CP 1450#, TP 1000#, CK 20/64", 10 BWPH, LOAD REC'D 1962 BBLS, LLTR 3314 BBLS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: November 30, 2000

5. Lease Serial No.

UTU-01198-B

1a. Type of Well ☐ Oil Well ☒ Gas ☐ Dry Other
b. Type of Completion: ☒ New ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____

2. Name of Operator

KERR-MCGEE OIL & GAS ONSHORE LP

3. Address

1368 SOUTH 1200 EAST, VERNAL, UTAH 84078

3a. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Report locations clearly and in accordance with Federal requirements)*

At surface NW/NW 720'FNL, 1108'FWL

At top prod. interval reported below NW/NW 115'FNL, 510'FWL

At total depth NW/NW 115'FNL, 510'FWL

14. Date Spudded

07/05/07

15. Date T.D. Reached

08/27/07

16. Date Completed

10/27/07

☐ D & A ☒ Ready to Prod.18. Total Depth: MD
TVD

8510'

8246'

19. Plug Back T.D.: MD
TVD

8306'

8162'

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CBL-CGL-GR SD, DSN, ACTR

22. Was well cored? ☒ No ☐ Yes (Submit copy)
Was DST run? ☒ No ☐ Yes (Submit copy)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
20"	14"	36.7#		40'		28 SX			
12 1/4"	9 5/8"	32.3#		2040'		720 SX			
7 7/8"	4 1/2"	11.6#		8510'		1643 SX			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2 3/8"	7249'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) WASATCH	4872'	5469'	4872'-5469'	0.36	76	OPEN
B) WASATCH/MESAVERDE	6403'	6542'	6403'-6542'	0.36	40	OPEN
C) MESAVERDE	6804'	8181'	6804'-8181'	0.36	123	OPEN
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and type of Material
4872'-5469'	PMP 1145 BBLS SLICK H2O & 39,673# 30/50 SD
6403'-6542'	PMP 1075 BBLS SLICK H2O & 39,125# 30/50 SD
6804'-8181'	PMP 3724 BBLS SLICK H2O & 130,687# 30/50 SD

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/27/07	11/06/07	24	→	0	1,893	280			Flows from Well
Choke Size	Tbg. Press. Flwg. 698#	Csg. Press. 1051#	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
20/64	SI		→	0	1893	280			Producing Gas Well

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/27/07	11/06/07	24	→	0	1893	280			Flows from Well
Choke Size	Tbg. Press. Flwg. 698#	Csg. Press. 1051#	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Well Status	
20/64	SI		→	0	1893	280			Producing Gas Well

(See instructions and spaces for additional data on reverse side)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
10/27/07	11/06/07	24	→	0	1893	280			FLOWS FROM WELL
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
20/64	SI	1051#	→	0	1893	280			PRODUCING GAS WELL

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
WASATCH MESAVERDE	4181' 6443'	6443'			

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 5. Core Analysis 7. Other:

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) SHEILA UPCHEGO

Title SENIOR LAND ADMIN SPECIALIST

Signature

Date 11/27/07

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Directional Services

Job Number: 073217505498

Company: Kerr McGee Oil & Gas (Anadarko)

Lease/Well: NBU 1022-23D-2S

Location: Uintah County, Utah

Rig Name: Delsco Northwest

RKB:

G.L. or M.S.L.:

State/Country: Utah/USA

Declination: 11.50°

Grid: East To Grid

File name: F:\SURVEY\2007SU~1\KERRMC~1\102223D2.SVY

Date/Time: 10-Oct-07 / 14:58

Curve Name: 1900' - 8368' M.D.

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 318.00
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
1800.00	1.25	233.21	1799.53	7.42	-17.17	17.00	18.70	293.37	.00
Tied Multi-Shot Gyroscopic Surveys Into Previous Multi-Shot Gyroscopic Surveys									
1900.00	1.25	285.55	1899.51	7.06	-19.09	18.02	20.36	290.29	1.10
2000.00	.75	315.95	1999.49	7.82	-20.60	19.60	22.04	290.79	.71
2100.00	.75	10.34	2099.49	8.94	-20.94	20.65	22.77	293.11	.69
2200.00	3.75	335.78	2199.40	12.56	-22.16	24.17	25.48	299.55	3.16
2300.00	6.25	331.22	2299.01	20.32	-26.13	32.58	33.10	307.87	2.53
2400.00	9.00	330.70	2398.12	31.91	-32.57	45.51	45.60	314.41	2.75
2500.00	13.25	329.26	2496.22	48.59	-42.26	64.39	64.40	318.98	4.26

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
2600.00	16.00	327.75	2592.97	70.10	-55.48	89.22	89.40	321.64	2.78
2700.00	19.75	327.18	2688.12	95.96	-72.00	119.49	119.97	323.12	3.75
2800.00	21.00	327.64	2781.87	125.30	-90.75	153.84	154.71	324.09	1.26
2900.00	22.75	331.37	2874.67	157.41	-109.60	190.32	191.81	325.15	2.23
3000.00	25.00	330.88	2966.10	192.85	-129.15	229.73	232.10	326.19	2.26
3100.00	23.00	328.94	3057.46	228.05	-149.52	269.52	272.69	326.75	2.15
3200.00	24.50	328.34	3148.98	262.43	-170.48	309.10	312.95	326.99	1.52
3300.00	22.25	327.53	3240.77	296.06	-191.53	348.18	352.61	327.10	2.27
3400.00	20.50	325.72	3333.89	326.50	-211.56	384.20	389.05	327.06	1.87
3500.00	20.25	326.10	3427.63	355.34	-231.08	418.69	423.86	326.96	.28
3600.00	23.75	330.96	3520.35	387.32	-250.51	455.46	461.27	327.11	3.94
3700.00	23.50	330.98	3611.96	422.36	-269.96	494.51	501.26	327.41	.25
3800.00	24.25	329.97	3703.41	457.57	-289.91	534.03	541.68	327.64	.85
3900.00	23.75	328.88	3794.76	492.59	-310.59	573.89	582.34	327.77	.67
4000.00	22.25	333.14	3886.82	526.73	-329.56	611.95	621.33	327.97	2.24
4100.00	20.75	334.13	3979.86	559.56	-345.84	647.24	657.81	328.28	1.54
4200.00	19.50	333.01	4073.75	590.37	-361.15	680.38	692.07	328.54	1.31
4300.00	17.00	334.98	4168.71	618.49	-374.91	710.49	723.25	328.78	2.57
4400.00	14.75	338.99	4264.89	643.63	-385.65	736.36	750.32	329.07	2.50
4500.00	12.50	336.83	4362.07	665.46	-394.48	758.49	773.60	329.34	2.31
4600.00	10.25	335.74	4460.10	683.53	-402.39	777.21	793.18	329.51	2.26
4700.00	8.25	335.85	4558.80	698.19	-408.98	792.52	809.16	329.64	2.00
4800.00	5.50	334.80	4658.07	709.07	-413.96	803.94	821.06	329.72	2.75
4900.00	2.50	321.78	4757.82	715.12	-417.35	810.70	828.00	329.73	3.12
5000.00	1.50	341.82	4857.76	718.08	-419.11	814.08	831.44	329.73	1.21
5100.00	.75	33.84	4957.74	719.87	-419.15	815.43	833.01	329.79	1.19
5200.00	.50	45.87	5057.73	720.71	-418.48	815.61	833.40	329.86	.28
5300.00	1.00	116.90	5157.73	720.62	-417.38	814.81	832.77	329.92	.96
5400.00	1.25	121.93	5257.71	719.65	-415.68	812.95	831.08	329.99	.27

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
5500.00	1.25	137.96	5357.68	718.27	-414.02	810.81	829.05	330.04	.35
5600.00	1.50	144.99	5457.65	716.38	-412.54	808.42	826.68	330.06	.30
5700.00	1.50	147.02	5557.62	714.21	-411.08	805.83	824.07	330.08	.05
5800.00	1.75	156.06	5657.58	711.72	-409.75	803.09	821.24	330.07	.36
5900.00	1.50	148.09	5757.54	709.21	-408.44	800.34	818.41	330.06	.34
6000.00	1.50	149.12	5857.50	706.98	-407.07	797.77	815.80	330.07	.03
6100.00	1.25	146.14	5957.48	704.95	-405.79	795.41	813.40	330.07	.26
6200.00	1.50	133.17	6057.45	703.15	-404.23	793.02	811.06	330.11	.40
6300.00	1.50	125.20	6157.41	701.50	-402.21	790.44	808.62	330.17	.21
6400.00	1.75	135.23	6257.37	699.66	-400.06	787.64	805.96	330.24	.38
6500.00	1.75	136.26	6357.33	697.47	-397.93	784.59	803.00	330.29	.03
6600.00	1.75	138.29	6457.28	695.23	-395.86	781.54	800.03	330.34	.06
6700.00	2.00	137.32	6557.23	692.81	-393.66	778.27	796.84	330.39	.25
6800.00	2.00	135.35	6657.17	690.28	-391.25	774.78	793.45	330.46	.07
6900.00	2.25	135.37	6757.10	687.64	-388.64	771.07	789.87	330.53	.25
7000.00	2.00	140.41	6857.03	684.90	-386.15	767.37	786.26	330.59	.31
7100.00	2.25	144.59	6956.96	681.96	-383.90	763.68	782.59	330.62	.29
7200.00	2.50	147.62	7056.87	678.52	-381.60	759.58	778.46	330.65	.28
7300.00	2.25	146.65	7156.79	675.03	-379.35	755.48	774.33	330.67	.25
7400.00	2.00	152.68	7256.72	671.84	-377.47	751.86	770.62	330.67	.34
7500.00	1.75	154.71	7356.66	668.91	-376.02	748.71	767.36	330.66	.26
7600.00	2.00	157.74	7456.61	665.92	-374.71	745.60	764.10	330.63	.27
7700.00	2.00	156.77	7556.55	662.70	-373.36	742.31	760.64	330.60	.03
7800.00	2.00	152.80	7656.49	659.54	-371.87	738.97	757.16	330.58	.14
7900.00	2.00	154.83	7756.43	656.41	-370.33	735.61	753.67	330.57	.07
8000.00	2.00	154.86	7856.37	653.25	-368.85	732.27	750.19	330.55	.00
8100.00	2.25	152.74	7956.30	649.93	-367.21	728.70	746.49	330.53	.26
8200.00	2.25	150.62	8056.22	646.47	-365.34	724.89	742.57	330.53	.08
8300.00	2.50	147.50	8156.14	642.92	-363.21	720.82	738.43	330.54	.28

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	N-S FT	E-W FT	Vertical Section FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
Last Survey Depth Recorded									
8368.00	2.25	145.37	8224.08	640.57	-361.65	718.03	735.62	330.55	.39

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01198-B
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: NBU 1022-23D2-S
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0720 FNL 1108 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 23 Township: 10.0S Range: 22.0E Meridian: S		9. API NUMBER: 43047377420000
PHONE NUMBER: 720 929-6515 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 2/25/2011			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well returned to production on 2/25/2011.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Andy Lytle	PHONE NUMBER 720 929-6100	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 3/4/2011	